

# **Audit**



# **Report**

OFFICE OF THE INSPECTOR GENERAL

**DEFENSE BASE REALIGNMENT AND CLOSURE  
BUDGET DATA FOR THE CLOSURE OF  
GENTILE AIR FORCE STATION, DAYTON, OHIO, AND  
REALIGNMENT OF DEFENSE LOGISTICS AGENCY  
COMPONENTS TO WRIGHT-PATTERSON  
AIR FORCE BASE, OHIO**

Report No. 96-136

May 31, 1996

**Department of Defense**

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### **Acronyms**

AFB	Air Force Base
BRAC	Base Realignment and Closure
DAASC	Defense Automatic Addressing System Center
DCMAO	Defense Contract Management Area Operations
DLA	Defense Logistics Agency
MILCON	Military Construction



**INSPECTOR GENERAL**  
**DEPARTMENT OF DEFENSE**  
**400 ARMY NAVY DRIVE**  
**ARLINGTON, VIRGINIA 22202-2884**



May 31, 1996

**MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)**  
**ASSISTANT SECRETARY OF THE AIR FORCE**  
**(FINANCIAL MANAGEMENT AND COMPTROLLER)**  
**DIRECTOR, DEFENSE LOGISTICS AGENCY**

**SUBJECT: Audit Report on Defense Base Realignment and Closure Budget Data for the Closure of Gentile Air Force Station, Dayton, Ohio, and Realignment of Defense Logistics Agency Components to Wright-Patterson Air Force Base, Ohio (Report No. 96-136)**

We are providing this final audit report for your review and comment. This report is one in a series of reports about FY 1997 Defense base realignment and closure military construction costs. It discusses FY 1995 projects not covered in prior audits. Management comments on a draft of this report were considered in preparing the final report.

DoD Directive 7650.3 requires that all audit recommendations and potential monetary benefits be resolved promptly. As a result of Defense Logistics Agency comments, we revised and redirected draft recommendations. Therefore, we request that the Assistant Secretary of the Air Force (Financial Management and Comptroller) and the Defense Logistics Agency provide comments on the revised recommendations by July 1, 1996.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Ms. Kimberley A. Caprio, Audit Program Director, at (703) 604-9248 (DSN 664-9248) or Ms. Carolyn R. Milbourne, Audit Project Manager, at (703) 604-9217 (DSN 664-9217). If management requests, we will provide a formal briefing on the audit results. See Appendix F for the report distribution. The audit team members are listed inside the back cover.

Robert J. Lieberman  
Assistant Inspector General  
for Auditing

## **Office of the Inspector General, DoD**

**Report No. 96-136**  
(Project No. 6CG-5001.17)

**May 31, 1996**

### **Defense Base Realignment and Closure Budget Data for the Closure of Gentile Air Force Station, Dayton, Ohio, and Realignment of Defense Logistics Agency Components to Wright-Patterson Air Force Base, Ohio**

#### **Executive Summary**

**Introduction.** This report is one in a series of reports about FY 1997 Defense base realignment and closure military construction costs. It discusses two Defense base realignment and closure projects not included in prior audit coverage and a related project funded with regular MILCON funds. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, directs the Secretary of Defense to ensure that the amount of the authorization that DoD requested for each military construction project associated with Defense base realignment and closure does not exceed the original estimated cost provided to the Commission on Defense Base Closure and Realignment (the Commission). If the requested budget amounts exceed the original project cost estimates provided to the Commission, the Secretary of Defense is required to explain to Congress the reasons for the differences. The Office of the Inspector General, DoD, is required to review each Defense base realignment and closure military construction project for which a significant difference exists from the original cost estimate and to provide the results of the review to the congressional Defense committees. Our audits in response to that requirement include all projects valued at more than \$1 million.

**Audit Objectives.** The overall audit objective was to determine the accuracy of Defense base realignment and closure military construction budget data. This report provides the results of the audit of two projects, valued at \$5.5 million, for the closure of Gentile Air Force Station, Dayton, Ohio, and realignment to Wright-Patterson Air Force Base, Ohio, of two Defense Logistics Agency components: the Defense Automatic Addressing System Center and Defense Contract Management Area Operations Dayton. We also reviewed one military construction and renovation project, valued at \$0.3 million, that was not funded by the Defense base realignment and closure budget. The project was for the Defense Contract Management Area Operations-Contract Field Team personnel relocating from existing space at Wright-Patterson Air Force Base. Those personnel were not included in the original decision to relocate with the Defense Contract Management Area Operations office.

**Audit Results.** The Defense Logistics Agency properly programmed \$5.5 million in requirements and estimates for the three projects to renovate buildings 30030 and 30207 at Wright-Patterson Air Force Base. However, the Defense Logistics Agency overestimated requirements to construct a parking lot for the personnel realigned to Wright-Patterson AFB by \$0.3 million. As a result, DLA overstated the project costs by \$0.3 million on the three DD Forms 1391.

See Part I for a discussion of the audit results. See Appendix D for a summary of invalid and partially valid requirements for the projects we reviewed.

**Summary of Recommendations.** We recommend that the Defense Logistics Agency submit a revised DD Form 1391, "FY 1995 Military Construction Project Data," to exclude the parking lot and reduce the budget estimate by \$0.3 million for the projects to renovate facilities at Wright-Patterson Air Force Base.

We recommend that the Under Secretary of Defense (Comptroller) place \$0.3 in military construction funds for the parking lot on administrative withhold until the Defense Logistics Agency submits revised DD Forms 1391, "Military Construction Project Data," for the three projects. The DD Forms 1391 should omit the requirements.

**Management Comments.** The Under Secretary of Defense (Comptroller) concurred with the draft report recommendations. The comments stated that contracts had been awarded for the renovations of buildings, but that \$0.3 million for the parking lot would be placed on administrative withhold. The Defense Logistics Agency nonconcurred with the report, stating that parking lot site selection was the responsibility of Wright-Patterson Air Force Base and that the parking lot suggested was too far from buildings 30030 and 30207. The Defense Logistics Agency added that studies could be conducted at an additional cost that may impact the December 1996 closure of the Defense Electronic Supply Center. See Part I for a summary of management comments, and see Part III for the complete text of management comments.

**Audit Response.** As a result of comments from the Under Secretary of Defense (Comptroller), we revised our recommendation to specify withholding only funds for the parking lot. As a result of the Defense Logistics Agency comments, we revised our recommendations to now require the Air Force to conduct a parking lot capacity study to justify the need for additional parking accommodations. In addition, we revised recommendations to require the Defense Logistics Agency to submit revised DD Forms 1391 that exclude the parking lot line items and to reduce the budget estimates for the three projects by \$330,000. Based on the results of the parking lot capacity study conducted by the Air Force, the Defense Logistics Agency may submit a new DD Form 1391 if it justifies and supports the use of BRAC MILCON funds for a parking area.

We request that the Air Force and the Defense Logistics Agency provide comments on the revised recommendations by July 1, 1996.

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## **Part I - Audit Results**

### Audit Background

The Office of the Inspector General, DoD, is performing various audits of the Defense base realignment and closure (BRAC) process. This report is one in a series of reports about FY 1997 BRAC military construction (MILCON) costs. For additional information on the BRAC process and the overall scope of the audit of BRAC MILCON costs, see Appendix C.

### Audit Objectives

The overall audit objective was to determine the accuracy of BRAC MILCON budget data. The specific objectives were to determine whether the proposed project was a valid BRAC requirement, whether the decision for MILCON was supported with required documentation including an economic analysis, and whether the economic analysis considered existing facilities. Another objective was to assess the adequacy of the management control program as it applied to the overall audit objective.

This report provides the results of the audit of two FY 1995 BRAC MILCON projects with an estimated value of \$5.5 million, and one FY 1995 MILCON project valued at \$0.3 million. The projects are for the realignment of Defense Logistics Agency (DLA) components to Wright-Patterson Air Force Base (AFB). Those components are the Defense Automatic Addressing System Center (DAASC), the Defense Contract Management Area Operations (DCMAO) Dayton, and the DCMAO-Contract Field Team (DCMAO-Field).

The following table describes the projects that this audit reviewed.

<b>Table 1. MILCON Projects Reviewed at Wright-Patterson AFB</b>		
<u>Type of MILCON</u>	<u>Project Description</u>	<b>DD Form 1391 Amount (millions)</b>
BRAC MILCON	Building 30030 for DCMAO Dayton	\$1.9
BRAC MILCON	Building 30207 for DAASC	<u>\$3.6</u>
<b>Subtotal</b>		<b>\$5.5</b>
MILCON	Building 30030 for DCMAO-Field	\$0.3
<b>Total</b>		<b>\$5.8</b>



See Appendix A for a discussion of the scope and methodology and Appendix B for a summary of prior coverage related to the audit objectives. See Appendix D for a summary of invalid and partially valid requirements for the project we reviewed. The management control program objective will be discussed in a summary report on FY 1997 BRAC MILCON budget data.

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## **Parking Lot for Defense Logistics Agency Components**

DLA properly programmed \$5.5 million in requirements and estimates for three projects to renovate buildings 30030 and 30207 at Wright-Patterson Air Force Base. However, DLA overestimated requirements by a total of \$0.3 million on the DD Forms 1391 to construct a parking lot for use by personnel realigned to Wright-Patterson AFB. The DLA overestimated requirements because it did not consider existing parking alternatives. As a result, DLA overstated the project costs on the three DD Forms 1391 by a total of \$0.3 million for construction of the new parking lot.

### **Proposed Facility Renovation**

The 1993 Commission on Defense Base Closure and Realignment recommended closing Gentile Air Force Station, Dayton, Ohio. As a result, tenants at Gentile Air Force Station needed to relocate. DLA proposed the renovation of two facilities to support the realignment of DAASC and DCMAO Dayton to Wright-Patterson AFB. DLA also proposed the relocation of DCMAO-Field from existing facilities at Wright-Patterson AFB to the building that will house DCMAO Dayton, as part of a reorganization effort. In September 1995, DLA submitted three separate DD Forms 1391, "FY 1995 Military Construction Project Data," two of which were for BRAC MILCON projects for DAASC and DCMAO Dayton, valued at \$1.9 million and \$3.6 million, respectively, and one that was for a regular MILCON project for DCMAO-Field, valued at \$0.3 million. The three projects were for the renovation of primary and supporting facilities. Each of the three DD Forms 1391 included a line item for the construction of the new parking lot.

### **Description of Work to be Performed**

The DLA projects at Wright-Patterson AFB included the interior demolition and renovation of two buildings and the renovation of administrative office space and computer rooms. In addition, the projects included back-up generators and the construction of a new parking lot for the three DLA organizations that were future tenants of buildings 30030 and 30207.

## Cost of Proposed Parking Lot

DLA overestimated requirements to construct a parking lot for personnel realigned to Wright-Patterson AFB by \$0.3 million on the DD Forms 1391. The DLA Components stated that construction of a new parking lot was needed because parking in the immediate area of the renovated buildings was inadequate for the personnel being realigned to Wright-Patterson AFB. Among the three organizations, approximately 283 personnel are being realigned to Wright-Patterson AFB. The proposed parking lot is designed for 156 parking spaces, resulting in a need for an additional 127 parking spaces for the remaining DLA personnel. The proposed parking lot is estimated to cost \$0.3 million. Table 2 shows the cost for the proposed parking lot by organization and type of funds to be used.

Table 2. Cost for Proposed Parking Lot		
<u>Organization</u>	<u>Type of Funds</u>	<u>Amount Submitted on DD Form 1391 for Parking Lot</u>
DAASC	BRAC MILCON	\$150,000
DCMAO Dayton	BRAC MILCON	153,000
DCMAO-Field	Operation and Maintenance	
	Defense Agency	27,000
<b>Total</b>		<b>\$330,000</b>

### Parking Lot Space Requirements

## Alternatives to Construction and Location of Other Parking Spaces

The DLA did not adequately consider alternatives to constructing a new parking lot and did not address where the remaining 127 employees would park. Wright-Patterson AFB has eight parking lots in the vicinity of buildings 30030 and 30207.

**Parking Lot Capacity Study.** Neither Wright-Patterson AFB nor DLA documented a capacity site survey of the existing parking lots in the vicinity of buildings 30030 and 30207. The Air Force should conduct a parking lot capacity study to determine whether additional parking lots are necessary.

## Parking Lot for Defense Logistics Agency Components

The study should verify the distance from the parking lots to buildings 30030 and 30207, the number of spaces in each parking lot, and the current and expected future use of parking lots.

**Proposed Parking Lot Capacity.** The proposed parking lot capacity is estimated at 156 parking spaces. According to Military Handbook 1190, "Facility Planning and Design Guide," September 1, 1987, the number of parking spaces allowed for an organization is based on 60 percent of its personnel strength. Based on the 60-percent rule, the number of parking spaces allowed is 170 (283 x 60 percent).

**Available Parking.** Near buildings 30030 and 30207, 396 parking spaces are available. The parking lot capacity figures were provided by personnel in the 88th Civil Engineer Group at Wright-Patterson AFB. We calculated the number of available parking spaces by subtracting the current spaces used from the parking lot space at 90-percent capacity. The capacity used in the calculation is 90 percent because at 90-percent capacity, the installation should take action to obtain program funding for additional lots. Military Traffic Management Command Bulletin, Volume 2, Number 2, "Traffic Engineering and Highway Safety," July 1985, states that more parking spaces are needed when parking lots exceed 90-percent capacity.

Table 3 shows the number of available parking spaces in the eight existing parking lots at Wright-Patterson AFB.

<b>Table 3. Existing Parking Lots at Wright-Patterson AFB</b>				
<u>Parking Lot</u>	<u>Parking Lots at Capacity</u>	<u>Criteria at 90 Percent</u>	<u>Current Spaces Used</u>	<u>Available Parking Spaces</u>
7C	60	54	54	0
10C	47	42	19	23
11C	343	309	10	299
55C	384	346	308	38
Street	40	36	0	36
*	68	61	61	0
*	35	32	32	0
*	80	72	72	0
<b>Total</b>	<b>1,057</b>	<b>952</b>	<b>556</b>	<b>396</b>
DLA requirement				<u>170</u>
<b>Remaining Spaces Available</b>				<b>226</b>

\* Unnumbered parking lots.

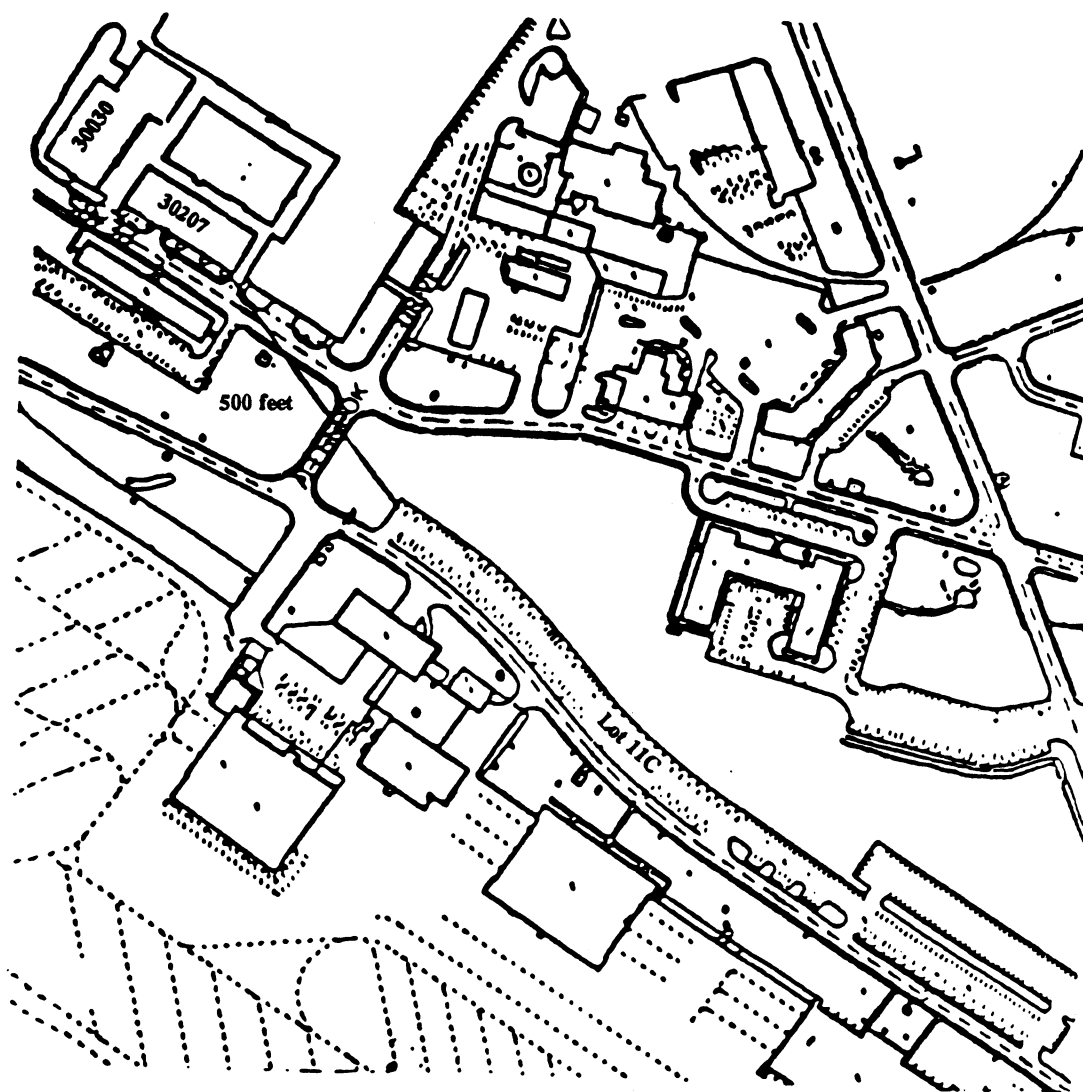
**Satisfying the Parking Requirement.** The unused parking spaces in the eight existing parking lots would more than satisfy the requirement of 170 parking spaces as outlined by the 60-percent rule. As illustrated above, parking lot 11C by itself will more than satisfy the requirement for 170 parking spaces. In addition, parking lots 10C, 55C, and parking on the street next to buildings

## Parking Lot for Defense Logistics Agency Components

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30030 and 30207 will satisfy any overflow parking. We observed and walked the distance from the buildings to parking lots 10C, 11C, and 55C and did not consider the distance to be unreasonable. According to personnel in the 88th Civil Engineering Group at Wright-Patterson AFB, parking lot 11C is approximately 500 feet from buildings 30030 and 30207. We were unable to obtain criteria from DLA regarding reasonable walking distances from parking areas to main building entrances.

The following figure shows the distance of 500 feet to buildings 30030 and 30207 from parking lot 11C.



**Lot 11C Proximity to Buildings 30030 and 30207**

### Conclusion

Wright-Patterson AFB and DLA could not support the use of BRAC MILCON funds to construct a new parking lot. With the availability of 396 parking spaces in lots 10C, 11C, 55C, and street parking along building 30030, DAASC and DCMAO parking requirements are met. Unless a capacity study demonstrates a need for the construction of another parking lot, DLA should remove the parking lot requirement from the DD Forms 1391. The Under Secretary of Defense (Comptroller) should place funds of \$0.3 million on administrative withhold for the three projects associated with renovation of facilities for DAASC, DCMAO Dayton, and DCMAO-Field.

### Recommendations, Management Comments, and Audit Response

**Revised, Redirected, Added, and Renumbered Recommendations.** As a result of management comments, we revised Recommendation 1. We also revised draft Recommendation 2a. to the Defense Logistics Agency and redirected the recommendation to the Air Force as Recommendation 2. We renumbered draft Recommendation 2b. as Recommendations 3a. and 3b. We added Recommendation 4, also as a result of management comments.

**1. We recommend that the Under Secretary of Defense (Comptroller) place funds of \$0.3 million for construction of a parking lot on administrative withhold for the renovation of buildings 30030 and 30207 at Wright-Patterson Air Force Base until the Defense Logistics Agency submits revised DD Forms 1391, "Military Construction Project Data," for the three projects.**

**Under Secretary of Defense (Comptroller) Comments.** The Under Secretary of Defense (Comptroller) concurred with the report and agreed to place the \$300,000 for the construction of a new parking lot on administrative withhold and to reprogram the savings to support other valid Defense base realignment and closure requirements.

**2. We recommend that the Assistant Secretary of the Air Force (Financial Management and Comptroller) conduct a parking lot capacity study of the use of existing parking facilities depicting alternatives to new construction.**

**3. We recommend that the Director, Defense Logistics Agency:**

**a. Submit revised DD Forms 1391, "Military Construction Project Data," for the three projects that exclude the requirement for construction of a parking lot.**

## **Parking Lot for Defense Logistics Agency Components**

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b. Correspondingly reduce budget estimates by \$0.3 million. The budget estimates should be reduced by the following amounts for the Defense Logistics Agency components: Defense Automatic Addressing System Center, \$150,000; Defense Contract Management Area Operations Dayton, \$153,000; and Defense Contract Management Area Operations-Contract Field Team, \$27,000.

4. We recommend that the Director, Defense Logistics Agency, submit a new DD Form 1391 specifically for the parking lot based on the results of the study conducted by the Air Force in response to Recommendation 2.

**Defense Logistics Agency Comments.** DLA nonconcurred that the \$0.3 million estimate on the DD Form 1391 to construct a parking lot for the personnel realigned to Wright-Patterson AFB was overstated. DLA stated that the parking lot site selection is a host responsibility and that Wright-Patterson AFB had advised DLA that no vacant parking areas were available. In addition, DLA stated that the distance of the parking lots suggested may require a review of employee union agreements and handicapped accessibility. DLA further stated that the host performed a parking lot survey that indicates no excess parking is available in the vicinity of buildings 30030 and 30207. DLA stated that studies could be initiated, but DLA believed that the withdrawal of project funding would affect the completion of the construction projects and impact the December 1996 closure of the Defense Electronic Supply Center.

**Audit Response.** We revised the recommendation for DLA to conduct a parking lot capacity study and redirected the recommendation to the Air Force, the host. Because Wright-Patterson AFB is responsible for determining the need for parking lot sites, Wright-Patterson AFB should conduct an assessment of the current parking lot use. We observed and walked the distance from the buildings to the parking lot and did not consider the distance to be unreasonable. According to personnel in the Army Corps of Engineers at Louisville, Kentucky, eight handicapped parking spaces are to be provided immediately surrounding buildings 30030 and 30207 to ensure adequate handicapped accessibility. On May 1, 1996, we requested criteria for employee union agreements for any references to reasonableness of walking distance from parking areas to main building entrances. As of May 28, 1996, we had not received the requested criteria. Based on our review, the Air Force and DLA did not provide an adequate assessment of the current parking situation or document alternatives to new construction. Neither DLA or Wright-Patterson AFB were able to provide us with documentation that verified consideration of the use of existing parking lots over new construction.

The contract to renovate buildings 30030 and 30207 has already been awarded; however, the contract did not include construction of the parking lot. Therefore, withdrawal of project funding for the parking lot would not affect the completion of the construction projects or impact the December 1996 closure of the Defense Electronic Supply Center.

## **Part II - Additional Information**



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## **Appendix A. Scope and Methodology**

**Scope of This Audit.** We examined the FY 1997 BRAC MILCON budget request, economic analysis, and supporting documentation for the renovation of facilities at Wright-Patterson AFB for DAASC and DCMAO. The combined total cost for this project is estimated at \$5.5 million. We also reviewed one military construction and renovation project, valued at \$0.3 million, that was not funded by the BRAC budget. The project was for the DCMAO-Field relocating from existing space at Wright-Patterson AFB.

**Audit Period, Standards, and Locations.** This economy and efficiency audit was performed from February through March 1996 in accordance with auditing standards issued by Comptroller General of the United States as implemented by the Inspector General, DoD. The audit did not rely on computer-processed data or statistical sampling procedures. Appendix E lists the organizations visited or contacted during the audit.

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## Appendix B. Summary of Prior Audits and Other Reviews

Since 1991, numerous audit reports have addressed DoD BRAC issues. This appendix lists the summary reports for the audits of BRAC budget data for FYs 1992 through 1996 and BRAC audit reports published since the summary reports.

### Inspector General, DoD

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
96-135	Defense Base Realignment and Closure Budget Data for the Fleet Anti-Submarine Warfare Training Center Pacific, San Diego, California	May 30, 1996
96-131	Defense Base Realignment and Closure Data for Realigning Elements of Headquarters, Department of the Navy, to the Washington Navy Yard	May 28, 1996
96-127	Defense Base Realignment and Closure Budget Data for the Closure of Roslyn Air National Guard Base and Realignments to Stewart Air National Guard Base, New York	May 23, 1996
96-122	Defense Base Realignment and Closure Budget Data for the Realignment of the Air Education and Training Command at Vandenberg Air Force Base, California	May 17, 1996
96-119	Defense Base Realignment and Closure Budget Data for the Construction of a Multiple Purpose Facility at Fort McCoy, Wisconsin	May 14, 1996
96-118	Defense Base Realignment and Closure Budget Data for the Medical and Dental Clinic Expansion Project at Naval Weapons Station Charleston, South Carolina	May 13, 1996
96-116	Defense Base Realignment and Closure Budget Data for the Relocation of Deployable Medical Systems to Hill Air Force Base, Ogden, Utah	May 10, 1996

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<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
96-112	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Cecil Field, Florida, and Realignment of the Aviation Physiology Training Unit to Naval Air Station Jacksonville, Florida	May 7, 1996
96-108	Defense Base Realignment and Closure Budget Data for the Naval Shipyard, Philadelphia, Pennsylvania	May 6, 1996
96-104	Defense Base Realignment and Closure Budget Data for the Construction of the Overwater Antenna Test Range Facility at Newport, Rhode Island	April 26, 1996
96-101	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Barbers Point, Hawaii, and Realignment of P-3 Aircraft Squadrons to Naval Air Station Whidbey Island, Washington	April 3, 1996
96-093	Summary Report on the Audit of Defense Base Realignment and Closure Budget Data for FYs 1995 and 1996	April 3, 1996
96-040	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for FYs 1993 and 1994	February 14, 1994
96-100	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for Fiscal Years 1992 and 1993	May 25, 1993

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## **Appendix C. Background of Defense Base Realignment and Closure and Scope of the Audit of FY 1997 Defense Base Realignment and Closure Military Construction Costs**

**Commission on Defense Base Closure and Realignment.** On May 3, 1988, the Secretary of Defense chartered the Commission on Defense Base Closure and Realignment (the Commission) to recommend military installations for realignment and closure. Congress passed Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," October 24, 1988, which enacted the Commission's recommendations. The law also established the Defense Base Closure Account to fund any necessary facility renovation or MILCON projects associated with BRAC. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, reestablished the Commission. The law also chartered the Commission to meet during calendar years 1991, 1993, and 1995 to verify that the process for realigning and closing military installations was timely and independent. In addition, the law stipulates that realignment and closure actions must be completed within 6 years after the President transmits the recommendations to Congress.

**Required Defense Reviews of BRAC Estimates.** Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, states that the Secretary of Defense shall ensure that the authorization amount that DoD requested for each MILCON project associated with BRAC actions does not exceed the original estimated cost provided to the Commission. Public Law 102-190 also states that the Inspector General, DoD, must evaluate significant increases in BRAC MILCON project costs over the estimated costs provided to the Commission and send a report to the congressional Defense committees.

**Military Department BRAC Cost-Estimating Process.** To develop cost estimates for the Commission, the Military Departments used the Cost of Base Realignment Actions computer model. The Cost of Base Realignment Actions computer model uses standard cost factors to convert the suggested BRAC options into dollar values to provide a way to compare the different options. After the President and Congress approve the BRAC actions, DoD realigning activity officials prepare a DD Form 1391, "FY 1995 Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. The Cost of Base Realignment Actions computer model provides cost estimates as a realignment and closure package for a particular realigning or closing base. The DD Form 1391 provides specific cost estimates for an individual BRAC MILCON project.

## **Appendix C. Background of Defense Base Realignment and Closure and Scope of the Audit of FY 1997 Defense Base Realignment and Closure Military Construction Costs**

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**Limitations and Expansion to Overall Audit Scope.** Because the Cost of Base Realignment Actions computer model develops cost estimates as a BRAC package and not for individual BRAC MILCON projects, we were unable to determine the amount of cost increases for each individual BRAC MILCON project. Additionally, because of prior audit efforts that determined potential problems with all BRAC MILCON projects, our audit objectives included all large BRAC MILCON projects.

**Overall Audit Selection Process.** We reviewed the FY 1997 BRAC MILCON \$820.8 million budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations. We grouped the remaining BRAC MILCON projects by location and selected groups of projects that totaled at least \$1 million for each group. We also reviewed those FY 1995 and 1996 BRAC MILCON projects that were not included in previous budget submissions, but were added as part of the FY 1997 BRAC MILCON budget package.

## Appendix D. Projects Identified as Invalid or Partially Valid

**Table D-1. Causes of Invalid or Partially Valid Projects**

<u>Project Location</u>	<u>Project Number</u>	<u>Causes of Invalid Projects</u>		<u>Causes of Partially Valid Projects</u>	
		<u>Overstated</u>	<u>Unsupported</u>	<u>Overstated</u>	<u>Unsupported</u>
DAASC	--				x
DCMAO Dayton	--				x
DCMAO-Field	--				x

**Table D-2. Recommended Changes in Project Estimates**

<u>Project Location</u>	<u>Project Number</u>	<u>Amount of Estimate on DD Form 1391 (thousands)</u>	<u>Recommended Amount of Change</u>	
			<u>Invalid Projects (thousands)</u>	<u>Partially Valid Projects (thousands)</u>
DAASC	--	\$3,580		\$150
DCMAO Dayton	--	1,900		\$153
DCMAO-Field	--	297		\$ 27
<b>Total</b>		<b>\$5,777</b>		<b>\$330</b>

**Total Invalid and Partially Valid Projects**

**\$330**

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## **Appendix E. Organizations Visited or Contacted**

### **Office of the Secretary of Defense**

Under Secretary of Defense (Comptroller), Washington, DC

### **Department of the Army**

U.S. Army Corps of Engineers Louisville District, KY

### **Department of the Air Force**

Assistant Secretary of the Air Force (Financial Management and Comptroller),  
Washington, DC

Wright-Patterson Air Force Base, OH

88th Air Base Wing

88th Civil Engineer Group

### **Other Defense Organizations**

Defense Logistics Agency, Fort Belvoir, VA

Defense Automatic Addressing System Center, Dayton, OH

Defense Contract Management Area Operations, Dayton, OH

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## **Appendix F. Report Distribution**

### **Office of the Secretary of Defense**

Under Secretary of Defense for Acquisition and Technology  
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Under Secretary of Defense (Comptroller)  
Deputy Chief Financial Officer  
Deputy Comptroller (Program/Budget)  
Deputy Under Secretary of Defense (Industrial Affairs and Installations)  
Principal Assistant Deputy Under Secretary of Defense (Industrial Affairs and Installations)  
Assistant to the Secretary of Defense (Public Affairs)

### **Department of the Army**

Auditor General, Department of the Army

### **Department of the Navy**

Assistant Secretary of the Navy (Financial Management and Comptroller)  
Auditor General, Department of the Navy

### **Department of the Air Force**

Assistant Secretary of the Air Force (Financial Management and Comptroller)  
Deputy Under Secretary of the Air Force (Installations)  
Auditor General, Department of the Air Force

### **Other Defense Organizations**

Director, Defense Contract Audit Agency  
Director, Defense Logistics Agency  
Director, National Security Agency  
Inspector General, National Security Agency  
Inspector General, Defense Intelligence Agency

### **Non-Defense Federal Organizations and Individuals**

Office of Management and Budget  
Technical Information Center, National Security and International Affairs Division,  
General Accounting Office



## **Non-Defense Federal Organizations and Individuals (cont'd)**

Chairman and ranking minority member of each of the following congressional committees and subcommittees:

Senate Committee on Appropriations  
Senate Subcommittee on Defense, Committee on Appropriations  
Senate Subcommittee on Military Construction, Committee on Appropriations  
Senate Committee on Armed Services  
Senate Committee on Governmental Affairs  
House Committee on Appropriations  
House Subcommittee on Military Construction, Committee on Appropriations  
House Subcommittee on National Security, Committee on Appropriations  
House Committee on Government Reform and Oversight  
House Subcommittee on National Security, International Affairs, and Criminal  
Justice, Committee on Government Reform and Oversight  
House Committee on National Security

## **Part III - Management Comments**

# Office of the Under Secretary of Defense (Comptroller) Comments



COMPTROLLER  
(Program/Budget)

OFFICE OF THE UNDER SECRETARY OF DEFENSE  
1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100



MAY 2 - 1996

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, DOD IG

SUBJECT: DoD IG Quick-Reaction Report on Defense Base Realignment and Closure  
of Gentile Air Force Station, Dayton, Ohio, and Realignment of Defense Logistics  
Agency Components to Wright-Patterson Air Force Base, Ohio  
(Project No. 6CG-5001.17)

This responds to your April 10, 1996, memorandum requesting our comments on the  
subject report.

The audit states that the construction of a new parking lot, associated with the  
renovation of operations space in buildings 30030 and 30207, can not be supported. The  
Defense Logistics Agency did not consider existing parking alternatives to satisfy the  
requirement. As a consequence, DLA overstated the costs of renovating the buildings by  
\$300,000.

This audit recommends that the USD(Comptroller) place the funds for the renovation of  
buildings 30030 and 30207 on administrative withhold, until the Defense Logistics Agency  
submits revised DD 1391 forms excluding the parking lot.

We generally agree with the audit findings and recommendations. The contract to  
renovate buildings 30030 and 30207 has already been awarded; however, it did not include  
construction of the parking lot. As a consequence, we will place the funding (\$300,000) for the  
parking lot on administrative withhold pending audit resolution. Also, we will reprogram any  
savings resulting from the audit to other BRAC requirements as appropriate.

  
B. R. Paseur

Director for Construction



# Defense Logistics Agency Comments



IN REPLY  
REFER TO

DDAI

**DEFENSE LOGISTICS AGENCY**  
**HEADQUARTERS**  
8725 JOHN J. KINGMAN ROAD, SUITE 2533  
FT. BELVOIR, VIRGINIA 22060-6221



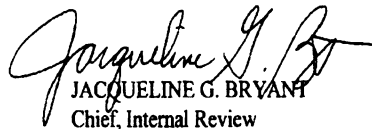
MAY 02 1996

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING,  
DEPARTMENT OF DEFENSE

SUBJECT: DoDIG Draft Quick Reaction Report on Defense Base Realignment and Closure  
Budget Data for the Closure of Gentile Air Force Station, Dayton, Ohio and  
Realignment of Defense Logistics Agency Components to Wright-Patterson Air  
Force Base, Ohio (Project No. 6CG-5001.17)

This is in response to subject draft report dated April 10, 1996. If you have any  
questions, please contact Emilia Snider at (703) 767-6268.

Encl

  
JACQUELINE G. BRYANT  
Chief, Internal Review

**SUBJECT:** DoDIG Draft Quick Reaction Report on Defense Base Realignment and Closure Budget Data for the Closure of Gentile Air Force Station, Dayton Ohio, and Realignment of Defense Logistics Agency Components to Wright-Patterson Air Force Base, Ohio (Project No. 6CG-5001.17)

**FINDING:** DLA properly programmed \$5.5 million in requirements and estimates for the projects to renovate buildings 30030 and 30207 at Wright-Patterson Air Force Base. However, DLA overestimated requirements on the DD Forms 1391 to construct a parking lot for the personnel realigned to Wright-Patterson AFB. The DLA overestimated requirements because it did not consider existing parking alternatives. As a result, DLA overstated the project costs by \$0.3 million to construct the new parking lot.

**DLA COMMENTS:**

Concur with the proper programming of the \$5.5 million. We nonconcur, however, with the stated overestimate of \$0.3 M in requirements on the DD Form 1391 to construct a parking lot for the personnel realigned to Wright-Patterson AFB.

Parking lot site selection is a host responsibility. DLA inquired as to the availability of vacant parking near the two buildings and was advised by the host that no vacant areas were available. The areas mentioned in the DoDIG reports were not available from the host. The parking lot suggested by the DoDIG is over 1200 ft walking distance from Building 30 to the closest entrance to the lot, which extends away from the buildings beyond this point. Studies could be initiated at additional costs, but this may affect completion of the construction projects, and impact the December 1996 planned closure of DESC.

Additionally, under the description of work section, we suggest a clarification. The projects do not include "... the demolition and renovation of two buildings ..." Demolition is limited to the interior of the existing buildings; only interior demolition will be performed in support of the planned renovations. Also, this is a FY 95 BRAC 93 MILCON project, and not an FY 97 BRAC MILCON as indicated in various sections.

**ACTION OFFICER:** Thomas Karst, MMBIP, (703)767-3554

**REVIEW/APPROVAL:** WILLIAM D. ORR, CAPTAIN, SC, USN, April 25, 1996

**COORDINATION:** *JS, DDAT, 26 Apr 96*

**DLA APPROVAL:**

*[Signature]*  
Major General, USA  
Principal Deputy Director

**RECOMMENDATION 2:** We recommend that the Director, Defense Logistics Agency:

- a. Conduct a parking lot capacity study to determine whether an additional parking lot is necessary by taking into consideration the use of existing parking lots at Wright-Patterson Air Force Base.
- b. Correspondingly reduce budget estimates by \$0.3 million and submit a revised DD Forms 1391, "FY 97 Military Construction Project Data," for the three projects to renovate facilities based on the results of the parking lot capacity study. The budget estimates should be reduced by the following amounts for the Defense Logistics Agency components: Defense Automatic Addressing System Center, \$150,000; Defense Contract Management Area Operations Dayton, \$153,000; and Defense Contract Management Area Operations-Contract Field Team, \$27,000.

**DLA COMMENTS:**

a. Nonconcur. Parking lot site selection is a host, not tenant, responsibility. DLA inquired as to the availability of vacant parking near the two buildings and was advised by the host that no vacant areas were available. The areas mentioned in the DoDIG reports were not available from the host. Additionally, the parking areas suggested in the DoDIG report are such a distance from the main building entrances, that employee union agreements and handicapped accessibility would need to be carefully reviewed. The host has performed a parking lot survey which indicates no excess parking is available in the vicinity of Buildings 30030 and 30207.

b. Nonconcur. The report recommends Under Secretary of Defense (Comptroller) place funds for the renovation of Buildings 30030 and 30207 at Wright-Patterson Air Force Base on administrative withhold until the Defense Logistics Agency submits revised DD Forms 1391, FY 97 Military Construction Project Data. We nonconcur with the need for revisions based on paragraph a, above. We do not agree with the requirement to include revisions as FY 97 Military Construction Project Data. Construction funding for the administrative space renovations has been provided to the Louisville District Corps of Engineers using FY 95 BRAC 93 MILCON funds. Construction contracts were awarded for the renovations of Buildings 30030 and 30207 on 11 and 14 March, respectively. Any withdrawal of funding, or deferral of the projects, will impact the awarded contracts and, consequently, completion of critical path elements. There is also the probability of incurring additional costs resulting from the delay or cancellation of these projects. The projects are in support of the December 1996 planned closure of the Defense Electronics Supply Center (DESC). The Local Reuse Authority (LRA) has been planning as such. Current project completion and LRA plans are geared to an October & November 1996 project completion, respectively.

**DISPOSITION:**

- ( ) Action is ongoing. Estimated Completion Date:
- (X) Action is considered complete.

## Defense Logistics Agency Comments

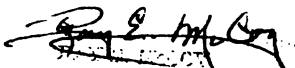
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**ACTION OFFICER:** Thomas Karst, MMBIP, (703)767-3554

**REVIEW/APPROVAL:** WILLIAM D. ORR, CAPTAIN, SC, USN, April 25, 1996

**COORDINATION:** *off, DDAT, 24 Apr 96*

**DLA APPROVAL:**

  
WILLIAM D. ORR  
Major General, USA  
Deputy Director

## **Audit Team Members**

This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD.

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